

Service Date: September 21, 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF THE APPLICATION OF THE)	
MONTANA POWER COMPANY FOR AUTHORITY TO)	
ISSUE AND SELL NOT TO EXCEED \$75,000,000)	UTILITY DIVISION
OF A NEW SERIES OF FIRST MORTGAGE BONDS)	DOCKET NO. 82.8.56
OR, IN THE ALTERNATIVE, TO GUARANTEE NOT)	ORDER NO. 4926a
TO EXCEED \$75,000,000 OF A NEW SERIES OF)	
EURODOLLAR NOTES TO BE ISSUED BY MONTANA)	
POWER INTERNATIONAL FINANCE N .V., AND TO)	
BORROW THE PROCEEDS THEREOF.)	

On August 19, 1982, the Montana Power Company (Applicant) filed with the Public Service Commission its verified Application, pursuant to Sections 69-3-501 through 69-3-507 of the Montana Code Annotated (MCA), seeking an order authorizing it to issue and sell not to exceed \$75,000,000 of a new series of first mortgage bonds or, in the alternative, to guarantee not to exceed \$75,000,000 of a new series of Eurodollar notes to be issued by Montana Power International N.V. and to borrow the proceeds thereof. Pursuant to Default Order No. 4926, the Applicant has reported to the Commission by telephone that negotiations for the sale of Eurodollar notes in the amount of \$50,000,000 by Montana Power International Finance N.V. had been concluded, and that the terms and conditions negotiated were as follows:

On September 10 , 1982, the Company filed Supplement No. 1 to its Application reporting the same information with respect to the issue.

FINDING OP FACT

That, on September 10, 1982, the Company filed Supplement No. 1 to the Application, which shows that the notes, in \$1,000 denominations, will be offered to the public at 99-3/4% of

their principal amount with a coupon rate of 14-1/4%; that the notes will be purchased from Montana Power International Finance N.V. (Finance) by the Underwriters at 98-1/8% of their principal amount; that Finance will pay the Underwriters 3/8% of the aggregate principal amount of the notes or compensation for their services in connection with the purchase of the notes and the management of the offering thereof; and that Finance will pay not to exceed \$75,000 in reimbursement of the out-of-pocket expenses of the Underwriters. The Supplement further states that the net proceeds of the notes will be borrowed by the Applicant at an interest rate of 15-1/4%, and that the effective cost of money to the Applicant is estimated to be 15.51%.

CONCLUSION OF LAW

That the Application of The Montana Power Company, as supplemented herein, complies with Sections 69-3-501 through 69-3-507, MCA, inclusive, and other laws of the State of Montana as aforesaid and the same should be granted as hereinafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its office at 1227 11th Avenue, Helena, Montana, on September 20, 1982, there regularly came before the Commission the Supplement #1 to the Application in Docket No. 82.8.56. The Commission being fully advised in the premises makes and enters following orders:

IT IS ORDERED that the Application filed by the Montana Power Company herein on August 19, 1982, as amended by supplement thereto, filed September 10, 1982, for an order authorizing the issuance and sale of not to exceed \$75,000,000 of a new series of first mortgage bonds or, in the alternative, to guarantee not to exceed \$75,000,000 of a new series of Eurodollar notes to be issued by Montana Power International Finance N.V. and to borrow the proceeds thereof, is hereby approved with respect to the guarantee of the issuance of \$50,000,000 of a new series of Eurodollar notes by Montana Power International Finance N.V. and the borrowing of the proceeds thereof by the Applicant subject to the provisions of this Order pursuant to MCA §69-3-501 through §69-3-507, inclusive.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed done and performed in connection herewith shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized by the Order or authorized, issued, assumed or guaranteed under the provisions of MCA §69-3-501 through §69-3-507, inclusive.

Except as herein modified, all of the terms and provisions of Order No. 4926, Docket No. 82.8.56, dated August 30, 1982, shall remain in full force and effect.

DONE IN OPEN SESSION at Helena, Montana, this 20th day of September, 1982,
by a 4-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

Gordon E. Bollinger, Chairman

Howard L. Ellis, Commissioner

Clyde Jarvis, Commissioner

Thomas J. Schneider, Commissioner

ATTEST:

Madeline L. Cottrill
Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a

petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purposes of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedures, esp. 38-2.2(64)—P2750, ARM.